

July 28, 2008

**City of Milton-Freewater
City Council Minutes**

The Council of the City of Milton-Freewater met in regular session Monday, July 28, 2008 at 7:00 p.m. in the Albee Room of the Library.

The following members were present: Mayor Lewis Key, Councilors Orrin Lyon, Ed Chesnut, Keith Woods, Debbie Kelley, Steve Irving and Brad Humbert.

Staff members present were: City Manager Linda Hall, City Recorder Leanne Steadman and Public Works Superintendent Dave Bradshaw.

Citizen Bob White was present.

Press member Melanie Hall of the Valley Herald was present.

CONSENT CALENDAR ITEMS:

The consent calendar items consisted of minutes from the July 14, 2008 regular council meeting and accounts payable from July 10, 2008 – July 22, 2008.

Councilor Chesnut motioned to approve the consent calendar items. Councilor Humbert seconded the motion which passed unanimously.

BUSINESS ITEMS:

BID AWARD CONTRACT #222 WATER MAIN MATERIALS PURCHASE

Public Works Superintendent Dave Bradshaw reported that the city had advertised and accepted sealed bids for the water main material purchase. He said there were three bids turned in, which were from HD Supply Waterworks, United Pipe & Supply and Ferguson Waterworks. Staff's recommendation was to award contract #222 to HD Supply Waterworks as they were the low bidder.

Councilor Irving asked how much interruption would there be while the water main was being replaced.

Mr. Bradshaw said the portion in front of the High School and the High School Business Office is projected to be completed before the start of school. He said there were a few other citizens affected but they should not have any service interruption expect at the point of the permanent connection.

Councilor Humbert asked if the project was going in front of Mac-Hi.

Mr. Bradshaw replied yes.

Councilor Humbert asked if the plan was to go eight and a half (8 ½) feet wide.

Mr. Bradshaw replied yes.

Councilor Humbert suggested getting prices for concrete parkway rather than asphalt. He said it may be less expensive.

Councilor Kelley motioned to award Contract #222 to HD Supply Waterworks in the amount of \$36,125.30. Councilor Chesnut seconded the motion with passed unanimously.

ORDINANCE NO. 948 ESTABLISHING TRANSIENT ROOM TAX INTRODUCTION AND FIRST READING

City Manager Linda Hall explained that the transient room tax proposed would establish a funding venue to promote tourism and economic development within the city. She explained the proposed tax rate is seven percent (7%) of gross revenue occupancy sales. The tax proposed would affect the local motel, bed and breakfasts, RV Parks, etc. which allow temporary occupancy of 30 days or less. The distribution of the monies received would be in accordance with Oregon State Law. The proposed allocation of the funds for the current year would be five percent (5%) to the establishment providing the room or space. The Milton-Freewater Area Chamber of Commerce would receive twenty five percent (25%) with the other seventy percent (70%) being retained by the City to dedicate towards economic development and tourism activities. The percent allocations would be decided upon during the City's regular budget process. Manager Hall said it was very difficult to project how much revenue the new tax would generate especially with people not traveling as much due to the high fuel prices. She explained the occupancy report and money would be required to be submitted quarterly to the Finance Director and then the allocated percent would be in the form of a check mailed out to the providers and the Chamber of Commerce.

Councilor Chesnut asked if the twenty five percent (25%) allocated to the Chamber of Commerce was an allowable expenditure in accordance with the Oregon State Law.

Manager Hall replied, yes. She also said while doing research on the transient tax, the 25% that is being proposed for the Chamber of Commerce is a much higher percentage than what other cities are sharing with their Chamber's.

Councilor Chesnut asked if the 25% allocated to the Chamber would be with stipulations of how the money was spent.

Manager Hall said that could be at the discretion of the City Council.

Councilor Woods asked when the Finance Director does the quarterly report, how would he audit the occupancy rate.

Manager Hall said there was a section in the proposed ordinance that would allow the City to audit the provider's books. She said it would basically be by the honor system.

Councilor Woods suggested watching their utility account versus their occupancy rate.

Manager Hall said the next step, if the ordinance was accepted by council, was to have City staff along with the Chamber staff meet with the business owners of the affected businesses and explain the transient tax and answer any question they may have. This would be done prior to the seconding reading of the ordinance.

Councilor Chesnut referred back to an earlier question he had asked about the money the Chamber received having stipulations on how the money would be spent. He asked if that were the case, would the ordinance have to say that.

Manager Hall said she would not recommend having that language as part of the ordinance. Her reason was if the ordinance spelled out exactly what the money could be spent on it could limit the Chamber on projects that suddenly come up. Her recommendation was to discuss the transient tax revenue allocations during the regular budget process.

Councilor Chesnut said he was comfortable with the concept of letting the Chamber have their money and then request a report on where the money was used.

Councilor Irving said with the Chamber's new location the number of visitors stopping in for information has increased. He said it would probably increase even more due to the Kiosk being almost completely installed which would draw more visitors.

Councilor Kelley asked about Section 18 of the ordinance which states the tax collected will be distributed according to Oregon State Law.

City Recorder Leanne Steadman referred to the Oregon State Law guidelines and explained the law had changed in 2003 which increase the minimum percentage amount to seventy percent (70%) that must be spent on tourism.

Manager Hall explained the language in the ordinance referred to the Oregon State Law rather than the exact percentages because the law could change which would require the ordinance to be changed every time that happened.

Councilor Kelley motioned to introduce Ordinance #948, Ordinance Establishing Transient Room Tax. Councilor Woods seconded the motion which passed unanimously.

Councilor Kelley then motioned Ordinance #948 be introduced by title only and full reading waived. Councilor Humbert seconded the motion which passed unanimously. The City Manager then read the ordinance by title. The council then introduced the first reading of Ordinance #948, an Ordinance Establishing a Transient Room Tax.

OPPORTUNITY FOR CITIZENS TO APPROACH THE COUNCIL WITH ISSUES NOT ON THE AGENDA

Bob White, 904 S. Mill – Talked about his recent trip to Southern California. He said on his return trip home he went through the Mojave Desert. He explained as he went over the Sierra Nevada Mountain Range there used to be some very majestic mountain peaks which are now covered with thousands of wind mills. He said the closer he got he could also see what looked like telephone poles and scaffolding but it turned out to be old dead wind mills in various stages of repair and disrepair. He said he understood there was a wind mill project being proposed for the location of the foot hills of the Blue Mountains. He felt the wind mills should be placed in Portland where they will be using the power and not where “we” have to look at them.

COUNCIL ANNOUNCEMENTS

Councilor Brad Humbert asked the rest of the council for consent to authorize the City Manager to use staff resources to investigate what wind mill projects are planned for the Blue Mountains.

A discussion ensued regarding the wind mills amongst the council.

Council consensus was to direct City Manager Linda Hall to research the findings and facts about any wind mill projects planned for the Blue Mountain areas and report back to council at a later meeting. She was also instructed to research Statewide Planning Goal 5, as it relates to wind mill projects.

Mayor Key said he understood the League of Oregon Cities (LOC) was recommending that the state take over the franchise fees for telephone service in the cities.

Ms. Hall replied, yes.

Councilor Kelley asked what the role of the LOC was by getting involved with who receives the franchise fees.

Ms. Hall replied she did not know, but did not agree with this.

MANAGER'S REPORT:

Manager Hall reported that the City had partnered with the Chamber of Commerce by installing the structure of the new Kiosk. She said staff was searching for the center part of the Kiosk to finish that project. She said she had emailed all the councilors in regards to the request by Andrew Holt of KUIJ, which is a Public Radio Station, to be interviewed on August 12th starting at 7:25 am and would last approximately an hour. The Police Chief Doug Boedigheimer has organized a town hall meeting for August 12th at 7:00 pm at the Community Building on Gang Intervention issues. She said the city's police force along with experts from the Walla Walla Gang Taskforce and Umatilla County Gang Taskforce will be at the meeting to address any questions concerned citizens may have. The last item she reported was that the city had gone out to bid for a new PA and recording system for the council chambers.

There being no further business, council adjourned at 7:55 p.m.

Lewis S. Key, Mayor